HONOURABLE SRI JUSTICE P. S. NARAYANA

WRIT PETITION No.14272 OF 2006

DATE: 16-10-2006

Between:

Smt. M. Lakshmi, W/o. M. Agaiah,
aged 38 years, Occ: Business,
R/o.H.No.5-178, Iqbal Ahmed Nagar,
Macherial, Adilabad District & another

.. Petitioners

AND

Mancherial Municipality,
Rep. by its Commissioner,
Mancherial, Adilabad District

.. Respondent

ORDER:

This Court ordered notice before admission on 13-07-2006 and granted interim stay for a limited period, which is being extended.

The writ petition is filed for a Writ of *Mandamus*, or any other appropriate writ, order or direction, declaring the action of the Respondent Municipality in issuing Proceedings Roc.No.1717/AC/2006 dated 03-07-2006 and Roc.No.1717/ AC/2006 dated 03-07-2006, rejecting the requests of the petitioners for renewal of the lease for Shop Nos.B-10 & B-11 respectively, situated in Vegetable Market, Mancherial, as illegal, arbitrary and contrary to the Proviso of Rule-12 of A.P. Municipalities (Regulation of Receipts & Expenditure) Rules 1968 and further direct the respondent Municipality to renew the lease of

the petitioners for a further period of three years on payment of 33 1/3% lease amount and pass such other order or orders as may deem fit and proper in the circumstances of the case.

It is stated that the Municipality had constructed two buildings containing various shops in the year 1983 and called for tenders from various prospective lessees. It is also stated that the writ petitioners have participated in the tenders and Shop No.B-10 was leased out to petitioner No.1 by the Municipality and Shop No.B-11 was leased out to petitioner No.2. Thereafter, after every three years, petitioners were offering to pay enhanced lease amounts by 33 1/3% and on their requests, the Municipality had been renewing the lease for a further period of three years on enhancement of the lease amount by 33 1/3%. The last renewal was made in the year 2003 till 2006. It is also further stated that since the lease period was expiring,

the Municipality issued notices to the petitioners intimating the date of expiry of the lease and immediately petitioners made applications to the Municipality and offered to pay enhanced lease amounts by 33 1/3% and sought renewal for a further period of three years as was done in the earlier years. Totally, there are 30 shops in both the buildings.

All the other shop lessees had also made similar representations for renewal of lease for a further period of three years by offering to pay enhanced lease amounts at

33 1/3%. It is also stated that the Municipality had accepted the applications of all the shop owners and renewed the lease for a further period of three years by enhancing the lease amount by 33 1/3% in relation to all the other shops except those of the writ

petitioners. It is further stated that the Municipality had issued notices vide Rc.No.1716/AC/2006 dated 03-07-2006 to petitioner No.1 and RC.No.1716/AC/ 2006 dated 03-07-2006 to petitioner No.2 stating that the applications were rejected vide resolution No.155 dated
29-06-2006 and resolution No.154 dated 29-06-2006.
It is further stated that no reasons were assigned in the impugned notices for which the applications of the petitioners were rejected.
It is also further stated that Rule 12 proviso of the A.P. Municipalities (Regulation of Receipts & Expenditure) Rules, 1968 contemplates that in case of leases of building, the Municipal Council may renew the lease for a period of three years at a time without conducting public auction if the present lessee agrees to renew the lease at an amount of
33 1/3% above the earlier rents. In such circumstances, the writ petitioners approached this Court.

Heard the learned counsel and perused the material available on record including the impugned notices.

In the impugned notices, it has been specified that in pursuance of the resolutions, the requests for renewal had been rejected. The main grievance of the writ petitioners is that all other similarly placed persons got the option of renewal and the cases of the petitioners alone had been discriminated.

In view of the above facts and circumstances, this Court is of the opinion that the resolutions made in this regard and the impugned notices cannot be sustained especially in the light of the stand taken by the writ petitioners that all other cases had been

favourably considered and the cases of the writ petitioners alone had been discriminated. In view of the same, the impugned orders are hereby set aside and the respondent Municipality is hereby directed to reconsider the whole issue in the light of the specific stand taken by the writ petitioners and take a decision in this regard at the earliest point of time and till a decision is taken, *status quo* as on today be maintained.

Accordingly, the Writ Petition is allowed to the extent indicated above. No order as to costs.

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P. S. NARAYANA, J

Date:16-10-2006.

PV